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**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY**

In re:

**BLOCKFI INC., et al.,

Debtors.¹**

Chapter 11

Case No. 22-19361 (MBK)

Jointly Administered

**LIMITED OBJECTION AND RESERVATION OF RIGHTS OF RUI TEIXEIRA TO
DEBTORS' MOTION FOR ENTRY OF AN ORDER (I) AUTHORIZING THE DEBTORS
TO (A) HONOR WITHDRAWALS FROM WALLET ACCOUNTS, (B) UPDATE THE
USER INTERFACE TO PROPERLY REFLECT TRANSACTIONS AND ASSETS AS
OF THE PLATFORM PAUSE, AND (C) CONDUCT ORDINARY COURSE
RECONCILIATION OF ACCOUNTS, AND (II) GRANTING RELATED RELIEF**

COMES NOW Rui Pedro Vaz dos Santos Teixeira (“**Teixeira**”), by and through his counsel Singer & Levick, P.C. and Barclay Damon LLP, and files this, his *Limited Objection and Reservation of Rights to Debtors’ Motion for Entry of an Order (I) Authorizing the Debtors to (A) Honor Withdrawals from Wallet Accounts, (B) Update the User Interface to Properly Reflect Transactions and Assets as of the Platform Pause, and (C) Conduct Ordinary Course*

¹ The Debtors in these Chapter 11 Cases, along with the last four digits of each Debtor’s federal tax identification number, are: BlockFi Inc. (0015); BlockFi Trading LLC (2487); BlockFi Lending LLC (5017); BlockFi Wallet LLC (3231); BlockFi Ventures LLC (9937); BlockFi International Ltd. (N/A); BlockFi Investment Products LLC (2422); BlockFi Services, Inc. (5965); and BlockFi Lending II LLC (0154). The location of the Debtors’ service address is 201 Montgomery Street, Suite 263, Jersey City, NJ 07302.

Reconciliation of Accounts, and (II) Granting Related Relief (“Objection”) and, in support of same, respectfully submits as follows:

1. Rui Teixeira (“**Teixeira**”) is an individual who lives out of the United States, and is the non-U.S. owner of accounts with BlockFi International Ltd.

2. On November 11, 2022, Teixeira asserts he transferred funds from his BIA Account to his Wallet Account using the BlockFi User Interface. Teixeira received a written confirmation from BlockFi evidencing the completion of such transfer. Although Teixeira asserts that the transfer had been completed, he was unable to withdraw his money from his Wallet Account.

3. On or about November 28, 2022 (“**Petition Date**”), BlockFi Inc., and its associated entities, which includes BlockFi International Ltd (together, “**Debtors**”) filed voluntary Petitions for Chapter 11 protection under Title 11 of the UNITED STATES BANKRUPTCY CODE (“**BANKRUPTCY CODE**”).

4. On December 19, 2022, Debtors filed their *Debtors’ Motion for Entry of an Order (I) Authorizing the Debtors to (A) Honor Withdrawals from Wallet Accounts, (B) Update the User Interface to Properly Reflect Transactions and Assets as of the Platform Pause, and (C) Conduct Ordinary Course Reconciliation of Accounts, and (II) Granting Related Relief (“Wallet Withdrawal Motion”)* (Dkt.121).

LIMITED OBJECTION

5. Teixeira is similarly situated to the parties referenced in the *Preliminary Objection of the Ad Hoc Committee of Wallet Account Holders* (“**Ad Hoc Committee**”) filed in response to the Wallet Withdrawal Motion (“**Ad Hoc Committee Objection**”) (Dkt. 184), as well as the various *pro se* parties and other parties that have also filed objections to the Wallet Withdrawal Motion.

6. Teixeira acknowledges that he is filing this Objection after the deadline imposed by the Wallet Withdrawal Motion,² but counsel for Teixeira has obtained the agreement from Debtors' counsel that he may file this Objection at this time.

7. Teixeira adopts the arguments set forth in Paragraphs 36 through 48 of the Ad Hoc Committee Objection as if set forth herein, and such Paragraphs are incorporated herein by reference. Teixeira also adopts the arguments set forth in Paragraph 3 of the Ad Hoc Committee Objection and would further state that pursuant to Bankruptcy Rule 7001, such Wallet Withdrawal Motion is only procedurally proper if filed as an adversary proceeding.

JOINDER AND RESERVATION OF RIGHTS

8. To the extent not inconsistent with the Objections expressed herein, Teixeira joins in and adopts the arguments contained in the objections and responses to the Wallet Withdrawal Motion asserted by the Ad Hoc Committee, as well as the other various *pro se* parties and other parties that have also filed objections to the Wallet Withdrawal Motion.

9. Teixeira reserves all rights to object to any other relief sought by the Debtors in connection with the Wallet Withdrawal Motion.

10. Teixeira's Objection is not intended to be, nor should be construed as, a waiver by Teixeira of any of his rights under any of his accounts held with Debtor BlockFi International Ltd, the BANKRUPTCY CODE, or applicable law. Teixeira files this Objection to reserve and preserve any and all rights he may have in connection with such accounts.

11. Teixeira reserves the right to amend or supplement this Objection if need be at any time and for any reason, including, without limitation, to revise any of the statements and

² Teixeira asserts he never received notice of the filing of the Wallet Withdrawal Motion.

information contained herein or to assert additional or different arguments based on new information that he may learn through discovery.

CONCLUSION

For the reasons set forth herein, Rui Pedro Vaz dos Santos Teixeira respectfully requests that the Court deny the Debtors' Wallet Withdrawal Motion, and for such additional and further relief as the Court may deem to be just and proper.

DATED: April 5, 2023
New York, New York

Respectfully submitted,

/s/ Scott L. Fleischer
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ATTORNEYS FOR:
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CERTIFICATE OF SERVICE

I hereby certify that a copy of this document will be electronically mailed to the parties that are registered or otherwise entitled to receive electronic notices in this case pursuant to the Electronic Filing Procedures in this District, which includes the parties as shown below, on this 5th day of April, 2023.

<u>DEBTOR:</u> BlockFi Inc. 201 Montgomery Street, Suite 263 Jersey City, NJ 07302 VIA ECF Noticing through its attorney	<u>ATTORNEYS FOR COMMITTEE OF UNSECURED CREDITORS:</u> David J. Adler Lisa Bonsall MCCARTER & ENGLISH, LLP 100 Mulberry Street Newark, NJ 07102 VIA ECF Noticing Joseph R. Scholz MCCARTER ENGLISH, LLP 825 Eighth Avenue, 31st Floor New York, NY 10019 VIA ECF Noticing Kenneth Aulet Stephen D. Palley Bennett S. Silverberg Robert J. Stark BROWN RUDNICK LLP 7 Times Square New York, NY 10036 VIA ECF Noticing Donald W. Clarke Gregory S. Kionoian Daniel Stolz GENOVA BURNS LLC 110 Allen Road, Suite 304 Basking Ridge, NJ 07920 VIA ECF Noticing
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<u>US TRUSTEE:</u> Lauren Bielskie Jeffrey M. Sponder Office of the US Trustee One Newark Center, Suite 2100 Newark, NJ 07102 VIA ECF Noticing	

/s/ Scott L. Fleischer
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